

Minutes of the Special and Regular City Council Meeting, Joint Meeting with Finance Commission, May 25, 2004, Twin Pines Senior and Community Center, 1223 Ralston Avenue

**CLOSED SESSIONS – 6:45 P.M.**

A. Conference with Labor Negotiator, Jere Kersnar, pursuant to Government Code Section No. 54957.6

1. MMCEA

2. AFSCME

Attended by Councilmembers Mathewson, Warden, Bauer, Feierbach, and Metropulos, City Manager Kersnar, City Attorney Savaree, Assistant City Manager Rich, Human Resources Director Dolan, Labor Negotiator Lee Finney. Deputy City Clerk Harrington was excused from attending.

**ADJOURNMENT** at this time being 7:30 P.M. these Closed Sessions were adjourned.

This meeting was not tape recorded.

Sheila Harrington  
Deputy City Clerk

**REGULAR MEETING - 7:35 P.M.**

**ROLL CALL**

Councilmembers Present: Mathewson, Warden, Bauer, Feierbach, Metropulos

Councilmembers Absent: None

Staff Present: City Manager Kersnar, City Attorney Savaree, Assistant City Manager Rich, Community Development Director Ewing, Finance Director Fil, Public Works Director Davis, Deputy City Clerk Harrington.

**Pledge of ALLEGIANCE** led by Deputy City Clerk Harrington.

**REPORT FROM CLOSED SESSION**

Mayor Metropulos announced that at the Closed Sessions held earlier in the evening, direction was given, no action taken.

## **SPECIAL PRESENTATIONS**

### **Proclamation Honoring Ivan You, Eagle Scout.**

Mayor Metropulos read the proclamation aloud and presented it to Ivan You.

Ivan thanked Principal Sherry Ho of Sandpiper School for assisting him with his Eagle Scout Project and the Boy Scout Organization. Mr. You introduced his family and thanked the City Council.

## **PUBLIC COMMENTS AND ANNOUNCEMENTS**

**Steven Eckert**, Oak Knoll submitted evidence for his appeal to the City Council. He stated that the Planning Commission recently made a decision that his house and his neighbor's house were different based on access to the backyard, and that he had received a second floor area exception that his neighbor could never receive. He noted that his neighbor recently received the exception and would have the same access to the backyard.

## **COUNCIL MEMBER COMMENTS AND ANNOUNCEMENTS**

Councilmember Mathewson stated that he and Councilmember Feierbach attended a picnic sponsored by the McDougal Park Neighborhood Association.

## **AGENDA AMENDMENTS**

City Manager Kersnar announced that the Comcast Resolution was corrected due to a clerical error.

## **CONVENE A JOINT MEETING OF THE CITY COUNCIL AND FINANCE COMMISSION**

### **CALL TO ORDER 7:40 P.M.**

Commissioners present: Troyan, White, Korn, Ledoux, Leiberman

Commissioners absent: Sepah-Mansour, Mannisto

### **Joint Work Session**

City Manager Kersnar stated that City revenues were down and highlighted staffs' projection that the sales tax will not return to the 2003 level until 2008. The Transient Occupancy Tax was down 45% since 2001. City Manager Kersnar stated that the

State of California has taken over \$5million from Belmont during the past 10 years and will take over \$600,000 this year to help balance the State Budget. The City anticipates the state will take an additional \$380,000 in each of the next two fiscal years. Belmont is also facing cost increases due to increases of PERS Health care, Workers Compensation and PERS retirement benefits.

City Manager Kersnar stated the City has made significant cuts since 2002 totaling \$1.2 million and has generated additional revenue. He noted that previous service reductions were implemented with a minimal level of disruption. City Manager Kersnar pointed out that Belmont has a limited tax base compared to neighboring cities and that the general fund per capita is the lowest in the county.

City Manager Kersnar stated the budget was presented to Council in two parts: 1. The Base Budget, which was an extension of the current year budget including unavoidable cost increases and conservative revenue projections. 2. The Budget Correction Strategy, which contained changes needed to achieve a balanced budget.

City Manager Kersnar reviewed the Reserve Policy. He stated the General Fund fund balance is the money left over at the end of the fiscal year after all revenues and expenditures have been accounted for. The City Council policy requires the General Fund fund balance to be 20% of City revenues against a minimum of \$2 million. This fund is used for catastrophes, cash flow deficiencies, or limited resources in other funds. City Manager Kersnar suggested the City Council consider reviewing the Reserve Policy later in the year to discuss increasing the minimum amounts.

City Manager Kersnar stated the base budget is \$700,000 short, additionally the current fiscal year will end under the minimum Reserve Policy and continue to decline in future years. Staff projects the Reserve Fund will become a negative figure in 2006 if the budget correction strategy is not implemented. City Manager Kersnar stated that \$1.475 million is needed in fiscal year 2004/05 in order to meet the Reserves Level and to help the Reserve grow in future years.

City Manager Kersnar stated there were three possibilities for the Budget Correction Strategy:

1. \$275,000 in Revenue Increases: These items do not require voter approval possibilities include Code Enforcement fines/penalties, Refuse Vehicle Impact Fee, and capital project charge back (would allow general fund to charge capital funds for work completed on capital projects).

2. \$938,000 in Expenditure/Service Reductions: Proposed reductions would include six full time (two currently vacant) and four regular part time positions. City Manager

Kersnar noted that when he became City Manager the City had 135 positions, that list is now 120 (before the recommended 10 positions are cut in the budget correction strategy). Examples of other suggested reductions include reducing the city newsletter to once a year, reduce community group funding, no significant advance planning work, restructure the permit center cashier position, restructure one of the police captain positions to an administrative sergeant, and Department Head 3% salary reduction.

3. \$263,000 in Transfers (into the general fund and/or reduction of transfers out of the general fund to subsidize other funds): This includes transferring the Library Community Facilities District funding into the General Fund, the elimination of a street maintenance worker (vacant position) and the transfer of public works staff time from general fund to development services fund, this action would increase fees.

City Manager Kersnar outlined possible alternatives (\$886,000 Schedule E in the Budget): Other Tax increases that would require voter approval. He noted that even if the citizens approved new taxes, it would take a year before the city started receiving the money. The City is currently meeting with two of the three labor groups that represent city employees to discuss possible labor cost reductions. The City Manager could not predict the outcome of these discussions.

City Manager Kersnar stated that layoff notices would be sent out soon, to be effective July 1, 2004. The notices could be rescinded depending on council direction for the budget. He stated the employees are dedicated to serving the public and that it was the economy that was forcing these service reductions. He noted the demand for governmental services does not vary with the economy. He stated stable city revenues were needed, because the demand for services is stable.

In response to Finance Commissioner Troyan questions, Finance Director Fil stated the Sales Tax 3% growth assumption was based on information provided by MBIA, Belmont's revenue consultant, and business activities occurring within Belmont.

The Business License Revenue has declined; the tax has increased, however, the number of licensees had decreased. Finance Director Fil clarified the transfer of the Community Facilities District into the General Fund, the debt service portion was for the construction of the library. The maintenance/ operation portion was for the continuing maintenance of the library and the park it was located in.

Finance Commissioner Lieberman stated this was the toughest budget he has seen the City go through. He suggested the City consider reorganizing City departments in the future depending on the economy. He commended the City for not using the reserves to balance the budget and suggested increasing the reserve level.

Finance Commissioner Ledoux agreed that the reserve was very important. He stated the economy was in a fragile state and the City should continue tightening expenditures before considering taking money from the reserves.

Finance Director Fil clarified that the 20% reserve policy is based on operating expenses.

In response to Councilmember Feierbach, City Manager Kersnar stated that final numbers for performance budgeting will not be ready for another year. The Refuse Vehicle Impact Fee has been implemented in other cities with BFI adding on a surcharge, but he noted that formal negotiations have not begun with BFI for this potential revenue.

Councilmember Bauer stated he thought the reserve was too small and the City Council should consider a Consumer Price Index increase to tie in with the Reserve on a yearly basis.

Councilmember Warden stated he would like to consider a policy for how to deal with potential Council adjustments to the budget strategy. He proposed that staff take notes during their individual Councilmember meetings to discuss the budget, and then those notes would be presented to the entire City Council and the public at the next Council meeting for discussion. He agreed with the reserve discussion, and did not think any of the tax increases in Schedule E should be implemented.

Councilmember Mathewson agreed with the reserve discussion. He favored a reduction of subsidies in the budget and to achieve full cost recovery. He requested a copy of the line items in the budget.

In response to Councilmember Warden, Finance Director Fil stated that staff was working on the Master Fee schedule, and Council would receive a draft of the schedule before the June 22 meeting.

Councilmember Warden stated that the City Council may want to review the subsidy policy for city services. He requested that staff encapsulate the discussion of the Finance Commission meeting when they discuss the budget.

In response to Councilmember Metropulos; Police Chief Mattei stated the reduction of one community service officer would result in more reporting responsibility for the police officers. Parks and Recreation Director stated that the elimination of the Volunteer Marketing Coordinator would result in other staff members trying to absorb the extra work.

**Leeta Land**, Miramar Terrace, Vice President of the Senior Club, stated the seniors needed the social interaction of the Senior Center and the services of staff. She requested that the City Council consider the needs of the seniors when preparing the budget.

**Lucene Krueger**, Ewell Road, member of Belmont Senior Advisory Committee, stated that the Senior Center was a haven for the seniors with a courteous and well-qualified staff. She requested that the City Council consider the tremendous impact that eliminating the staff and resources at the Senior Center would have on the senior community.

**Tony Psaila & Jim Christman**, Belmont Police Officers Association stated that since 2002 seven full time positions have been eliminated from the Police Department. Mr. Psaila stated the current proposal would eliminate more positions and may impact the police department level of service. They requested the City Council consider maintaining the Community Service Officer positions because losing those positions would adversely affect the day-to-day quality of life in Belmont.

**Action:** At this time being 9:20 P.M. the Joint Meeting of the Belmont City Council and Finance Commission was Adjourned.

**RECESS:** 9:20 P.M., **RECONVENE:** 9:35 P.M.

### **Consider Community Group Requests**

City Manager Kersnar stated that the total funding has been reduced for community groups. He suggested Council consider the requests and then the funding would be part of the final budget adoption. Staff is proposing that some of the groups that were previously funded through the Community Group process be funded from redevelopment operating funds, specifically housing or general redevelopment.

Councilmember Warden stated that the proposed wording changes to the Community Group Funding Policy were austere and he would like to have flexibility to allow for funding of operating expenses.

Council discussion ensued.

**Action:** On Motion by Councilmember Warden to adopt the updated Community Group Funding Policy with the removal of the line "Requests shall be for a single or time-limited project or event and not for ongoing operational support."

Councilmember Mathewson suggested using the City Manager's verbiage to amend the line to read that "Requests shall **generally** be for a single or time-limited project or event and not be **significantly** for ongoing operational support." He further stated that Council could always change the policy again.

Councilmember Warden stated he would accept the amendment for the word generally.

**Action:** On Motion by Councilmember Warden, seconded by Councilmember Bauer and approved unanimously by a show of hands to approve the Community Group Funding Policy wording change with an amendment to criteria number 7. "Requests shall **generally** be for a single or time-limited project or event and not be for ongoing operational support."

**Action:** On Motion by Councilmember Warden, seconded by Councilmember Bauer and approved unanimously by a show of hands to allow the Sister City Committee to carry over previous funding.

**Action:** On Motion by Councilmember Feierbach, seconded by Councilmember Bauer and approved unanimously by a show of hands to consider Redevelopment Agency (RDA) funded activities separate from community group funding requests.

City Manager Kersnar clarified that the Chamber of Commerce request would be discussed further on June 8. HIP Housing and Shelter Network would be considered as part of the RDA budget.

**Warren Gibson,** E. Laurel Creek Road, stated that the city should not be granting handouts during this budget situation.

**Sara Kimberlin,** Shelter Network thanked the City Council for their support of the Shelter Network. She stated they helped 30 children and adults from Belmont in the last fiscal year.

**Bruce Hamilton,** HIP Housing, Executive Director, thanked Council for their support. He stated that affordable housing is in a crisis and that nonprofit organizations are providing vital human services in a cost effective way.

Councilmember Feierbach stated she would not vote for any money to be used for community group funding, she would rather use the money to restore some of the city positions facing layoffs.

Councilmember Warden stated he supported Councilmember Feierbach's comments and would give a very minimal amount to the community groups.

Councilmember Bauer stated he could not turn his back on the human services that were provided with this funding. He stated he would not fund all the groups but would fund some of them.

Councilmember Mathewson stated that under other circumstances he would fund these groups, but with the current budget shortfall he could not fund these groups this year. He hoped they could fund some of these groups in the future.

Councilmember Metropulos stated that many of these groups directly affect the citizens of Belmont at no charge to the citizen. He stated that he thought general nonprofit donations were in decline and that it was important as a city to help fund some of these organizations.

**Action:** On Motion by Councilmember Warden, seconded by Councilmember Feierbach and approved by a vote of 3/2 (Metropulos/Bauer No) to put General Fund community group funding on hold for this year and reexamine it next year.

Councilmember Bauer expressed his displeasure at the vote.

### **CONSENT CALENDAR**

**Approval** of meeting minutes: Special and Regular Meeting of April 27, 2004.

**Acceptance** of Police Department/City Hall Project– May Monthly Update.

**Approval** of Resolution No. 9535 authorizing the acceptance of a grant in the amount of \$15,000 from Oracle Corporation to Belmont Safe Schools, via the Belmont Police Department, for the purchase of educational materials dealing with the prevention of alcohol, tobacco, and other drug use.

**Action:** On Motion by Councilmember Mathewson, seconded by Councilmember Bauer the Consent Calendar was unanimously approved by a show of hands.

### **OLD BUSINESS**

**Consideration of a Resolution authorizing the City of Redwood City and their Contractor to Start Construction at 7:00 AM on the Ralston/101 Interchange Project. (City Contract No. 402)**



Public Works Director stated that this request was for the east side of the freeway and would not apply to the west side. He noted that there would be noise associated with the project, especially during the pile driving portion of the project. The first pile driving was expected to start in August for a six week period and again approximately a year later for another six weeks. Public Works Director Davis stated that if the city delayed the project one hour each day it could make the City responsible for an additional \$250,000.

In response to Councilmember Mathewson, Public Works Director Davis stated that notices were sent to nearby residents, the homeowners association and businesses. Only the businesses responded and a meeting was held to outline the project. The work on the westside of the freeway will be conducted per the hours of the construction noise ordinance.

In response to Councilmember Metropulos, Public Works Director confirmed that Caltrans is immune to Belmont construction noise ordinance for work in their right of way.

Councilmember Feierbach invited Sterling Downs Homeowners Association President Dickenson to the podium to make a public comment. Mr. Dickenson declined the offer.

**Action:** On a motion by Councilmember Bauer, seconded by Councilmember Feierbach, Resolution No. 9536 authorizing the city of Redwood City and their Contractor to start construction at 7:00 AM on the East Side of the Ralston/101 Interchange Project was unanimously approved by a show of hands.

**Update on Status of Negotiations with Comcast, and Consideration of a Resolution Granting Comcast Of California IX, Inc. a Franchise Extension to July 31, 2004.**

**Greg Rubens,** Samcat Legal Counsel stated that progress has been made in the negotiations with Comcast. Four meetings have been held since April 27, at which they have discussed upgrades to the system, Peg channel usage, funding for community needs and other items. Mr. Rubens recommended extending the Franchise for another 60 days.

**Action:** On a motion by Councilmember Councilmember Bauer, seconded by Councilmember Feierbach Resolution No. 9537 granting Comcast of California IX, Inc. a Franchise Extension to July 31, 2004 was unanimously approved by a show of hands.

**Consideration of Resolution Approving an Extension for Completion of a Road Improvement and Maintenance Agreement with the Property Owners of 2514 Ralston Avenue (APN 043-322-450) and 2518 Ralston Avenue (APN 043-322-650), and Accepting a Bond as Security for the Relocation of an Existing Joint Power Pole.**

Public Works Director Davis stated the owner and builder of 2514 Ralston Avenue is required to complete the Ralston Frontage Road Improvements. The owner is requesting an extension of the Road Improvement Agreement to November 15, 2004 and allowing a building permit to be issued for 2514 Ralston Avenue.

Since January 2002, when Council approved the agreement, the property owners have completed some of the required roadway improvements. Paving could not be completed due to a Joint Utility Pole in the road. The applicants will have to bear the cost for PG&E to relocate the Joint Utility Pole and have offered to provide a \$50,000 to insure this work will be completed soon. The City additionally holds a \$75,000 performance bond to insure the road is completed satisfactorily.

Public Works Director Davis noted that the Planning Commission allowed Adam Naser, the owner of 2518 Ralston to obtain his building permit, and substituted that he could not obtain the certificate of occupancy until the road improvement agreement work was completed. Mr. Naser has indicated that if Council accepts the bond for relocation of the power pole, then he will request a waiver of the requirement that the 1994 road improvement work be completed before issuing his certificate of occupancy.

Public Works Director Davis stated that if the road extension work was not completed by November 15, 2004 then staff could use the bond and complete the work which consisted of an asphalt overlay over the base material.

**Action:** On Motion by Councilmember Feierbach, seconded by Councilmember Warden and approved unanimously by a show of hands to adopt: Resolution No. 9538 Approving an Extension for Completion of a Road Improvement and Maintenance Agreement with the Property Owners of 2514 Ralston Avenue (APN 043-322-450) and 2518 Ralston Avenue (APN 043-322-650), and Accepting a Bond as Security for the Relocation of an Existing Joint Power Pole.

**Consideration of Resolution Approving the Draft Transportation Expenditure Plan for the Extension of Measure A.**

Public Works Director Davis stated the Transportation Authority prepared the Draft Transportation Expenditure Plan for the Extension of Measure A. California Public

Utilities Code Section 131000 requires that the Draft Plan must be approved by a majority of the Cities representing the majority of the population of the incorporated area of the County by a majority vote of their respective councils. The Board of Supervisors must also approve the Draft Plan and recommend whether or not the Draft Plan and the extension of the local sales should be placed on the ballot for voter approval in November 2004. The Draft Plan recommends the extension of the Measure A half-cent sales tax for a 25 year term, beginning January 1, 2009. If approved, Belmont would receive approximately \$12 million over the life of the extended Measure.

Councilmember Mathewson agreed that Measure A should be extended, however he did not agree with this version of the draft plan. He noted that Bay Area Rapid Transit (BART) was not in the original plan and should not be in this version; he suggested a separate measure to fund BART. He further stated that taxpayers should not pay for the potential ferry system; it should be funded by the developments who would benefit from the system. Councilmember Mathewson also thought the 25 year time period was too long.

Councilmember Bauer stated he had the same concerns regarding BART and the ferry system, however he thought it was a small impact on Measure A and would support it.

Councilmember Feierbach stated she would support Measure A because Belmont needed the money for the roads.

Councilmember Mathewson clarified that he might have supported Measure A if there had been a higher local share of the funds.

**Howard Goode**, Transportation Authority, 1250 San Carlos Avenue, San Carlos confirmed that the money generated would not be used to bring BART further down the Peninsula. It would only be used for future needs of the existing extension in the County.

Councilmember Warden stated this was a regional problem and that he supported Measure A.

**Action:** On a motion by Councilmember Warden, seconded by Councilmember Bauer, Resolution No. 9539 Approving the Draft Transportation Expenditure Plan for the Extension of Measure A, was approved by a vote of 4/1(Mathewson, No).

## **PUBLIC COMMENTS AND ANNOUNCEMENTS**

Mayor Metropulos announced that he issued a Proclamation congratulating Tina Doss of Carlmont High School who was named the California League of High Schools Region 4 Educator of the Year. Councilmember Bauer commended the work of Ms. Doss and her dedication to her students.

### **MATTERS OF COUNCIL INTEREST/CLARIFICATION**

#### **Discussion and direction regarding giving preferential treatment to military veterans for Belmont's First Time Home Buyer's Program, once it is reinstated from its current suspension status (Bauer).**

Councilmember Bauer stated he would like to add a provision to the First Time Home Buyer's Program for military veterans, he thought they deserved consideration for the sacrifices they and their families made.

In response to Councilmember Mathewson, Community Development Director Ewing stated that currently no group receives preferential treatment. The only requirements to participate were that the applicant had not owned a home in Belmont for the last three years and met the income criteria.

**At this time being 10:30 P.M.** on motion by Councilmember Mathewson, seconded by Councilmember Warden and approved unanimously by a show of hands to extend the meeting by 30 minutes.

Council discussed how this idea could be implemented, and other groups that might be considered.

No consensus to pursue.

**ADJOURNMENT 10:37 PM**

Sheila Harrington

Meeting Audio and Video Taped

Deputy City Clerk

Tape No. 581